

MINUTES
OF THE
ENVIRONMENTAL PROTECTION COMMISSION
MEETING
DECEMBER 21, 2010

INGRAM OFFICE BUILDING
7900 HICKMAN ROAD
WINDSOR HEIGHTS, IOWA

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TABLE OF CONTENTS

Call to Order	1
Commissioners Present	1
Commissioners Absent.....	Error! Bookmark not defined.
Adoption of Agenda	1
APPROVED AS PRESENTED.....	1
Approval of Minutes	1
APPROVED AS PRESENTED.....	1
Director's Remarks	1
INFORMATIONAL ONLY	2
Clean Water and Drinking Water State Revolving Loan Fund – FY 2011 Intended Use Plans Third Quarter Updates	2
APPROVED AS PRESENTED.....	3
Public Participation	3
Nicole Molt.....	3
Chris Gruenhagen	4
John Kallen	4
Chris Peterson.....	5
Mike Septor	5
Contract - Iowa State University for 2011-2013 Lake Monitoring	5
APPROVED AS PRESENTED.....	7
Proposed Rule – Amendment to Wastewater Rules Chapter 64 – Wastewater Construction and Operation Permits	7
INFORMATION	8
Final Rule – Chapter 61, Water Quality Standards, Section 401 Certification of Section 404 Regional Permits 27, 33, and 34	8
APPROVED AS PRESENTED.....	8
Contracts - Lake Geode and Carter Lake Watershed Projects	8
APPROVED AS PRESENTED.....	10

Contract - Watershed Management Plan for Silver Creek Watershed.....	10
APPROVED AS PRESENTED.....	11
Contracts - Iowa Learning Farms and Community Assessment Tool Development Projects	11
APPROVED AS PRESENTED.....	13
Solid Waste Alternatives Program – Contract Recommendations	13
APPROVED AS PRESENTED.....	18
Adopted and Filed – Amendments to Underground Storage Tank Rules - Chapter 135.....	19
APPROVED AS PRESENTED.....	19
Proposed Rule: Chapter 22, Controlling Pollution, Title V Fee Cap.....	19
INFORMATION.....	22
Iowa Policy Project – Solution to the Pollution: It Starts on the Farm	23
INFORMATION.....	23
Monthly Reports	23
INFORMATION.....	23
General Discussion	24
Next Meeting Dates	24
Adjournment	24

MEETING MINUTES

CALL TO ORDER

The meeting of the Environmental Protection Commission was called to order by Chairperson Charlotte Hubbell at 10:00 a.m. on December 21, 2010 in the Ingram Office Building, Windsor Heights, Iowa.

COMMISSIONERS PRESENT

Charlotte Hubbell, Chair
David Petty
Susan Heathcote
Paul Johnson – by teleconference
Martin Stimson, Vice-Chair
John Glenn
Lorna Puntillo, Secretary – by teleconference
Dee Bruemmer – by teleconference
Gene Ver Steeg

ADOPTION OF AGENDA

Motion was made by David Petty to approve the agenda as presented. Seconded by John Glenn. Motion carried unanimously.

APPROVED AS PRESENTED

APPROVAL OF MINUTES

November 16, 2010 Minutes

Page 17 – Change Dee Bruemmer’s “nay” vote to “aye”. (Technical difficulties)

Motion was made by David Petty to approve the November 16, 2010 minutes as amended. Seconded by Susan Heathcote. Motion carried unanimously.

APPROVED AS AMENDED

DIRECTOR’S REMARKS

Wayne Gieselman filled in for Pat Boddy, Interim Director.

Roger Lande an attorney from Muscatine was appointed to be our director. His first day will be on January 18th.

We anticipate that there will be another cut before the end of the fiscal year. We have contingency plans put together. We are expecting anywhere from \$1.2 million to \$2 million, however the exact number is not known at this time. This is a result of the \$84 million efficiency bill.

Manure on snow covered or frozen ground – A guidance document has been prepared by the department to assist producer groups in understanding what the rule means.

INFORMATIONAL ONLY

CLEAN WATER AND DRINKING WATER STATE REVOLVING LOAN FUND – FY 2011 INTENDED USE PLANS THIRD QUARTER UPDATES

Patti Cale-Finnegan, Water Quality Bureau presented the following item.

Commission approval is requested for third quarter updates to the Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) Intended Use Plans (IUPs) for FY 2011 (July 1, 2010 – June 30, 2011). The Iowa SRF continues to grow and expand its role as one of the primary funding sources for water quality and protection of public health. Since 1989, the Iowa SRF has committed more than \$1.5 billion for water and wastewater infrastructure and nonpoint source pollution control.

The Iowa SRF is operated through a coordinated partnership between the Department of Natural Resources (DNR) and the Iowa Finance Authority (IFA). DNR administers the environmental and permitting aspects of the programs, with IFA providing financial assistance including loan approval and disbursements.

The CWSRF provides low-interest loans for wastewater infrastructure improvements, storm water quality, and nonpoint source water quality projects. The FY 2011 IUP third quarter update shows project requests totaling \$577 million, plus \$29.5 million for non-point source projects. So far during FY 2011 \$136 million worth of new loans have been signed. It is anticipated that approximately \$316 million will be disbursed during the remainder of FY 2011.

The DWSRF provides assistance to public water supplies to protect public health and improve infrastructure. The FY 2011 IUP third quarter update shows funding requests and potential uses totaling \$200 million. Loans totaling \$33 million have been signed during the first half of FY 2011. It is anticipated that approximately \$122 million will be disbursed during the remainder of FY 2011.

The Sources and Uses tables for both CWSRF and DWSRF show that funds are available or obtainable to provide anticipated disbursements. IFA plans to issue bonds totaling \$292 million in December 2010. This bond issue includes new funds for loan disbursements, state match funds, and refunding of previous issues at lower interest.

The latest federal capitalization grant included requirements to fund green projects and to provide additional subsidization in the form of principal forgiveness to disadvantaged communities. A solicitation for green projects was issued on July 26, 2010, with an application deadline of December 1, 2010. Green project applications are being scored and will be placed on

the fourth quarter FY 2011 IUP update for EPC approval in March 2011. DNR and IFA are also currently working on identifying disadvantaged communities.

A public meeting was held November 9, 2010 to receive comments on the proposed IUP updates. No oral comments were provided at the hearing. The written comment period closed on November 16, 2010. No written comments were received.

Gene Ver Steeg asked how the smaller communities can pay back a million dollar loan.

Patti Cale-Finnegan said that a financial analysis is conducted before they are awarded the loan to ensure that they are able to pay back. To this day, we have not had a default payment yet.

Motion was made by David Petty to approve the Clean Water and Drinking Water State Revolving Loan Fund as presented. Seconded by John Glenn. Motion carried unanimously.

APPROVED AS PRESENTED

PUBLIC PARTICIPATION

NICOLE MOLT, representing Iowa Association of Business & Industry submitted the following comments:

Thank you for the opportunity to comment on the Proposed Rule-Chapter 27-Title V fee cap. The Iowa Association of Business and Industry is the state's oldest and largest business organization representing approximately 1,400 member companies and over 300,000 Iowans. ABI members understand the purpose of the Title V program and appreciate the time IDNR staff spent with stakeholders to discuss the proposed Title V fees. ABI appreciates being involved in the discussion and a part of the process. However, ABI members are concerned about the sustainability given the continual exponential increase in Title V fees. ABI members are opposed to the Title V fee increase for SFY 2012 and encourage the EPC to maintain the fee cap at \$56/ton for one year.

ABI members believe the \$56/ton is more than sufficient to cover the cost of the Title V program. Currently, the Title V program pays for approximately 80% of the IDNR Air Budget. ABI does not believe 80% of the air bureau's time is spent on the Title V activities. The Title V program is clearly defined in Pub. L. No. 101-549 and ABI believe IDNR is acting outside of what is required by federal law.

ABI member have spent millions for dollars voluntarily, and as required by law, to ensure public health is protected and Iowa remains the best state to live and do business. Due to increasing federal and state regulations; as well as the pollution control technologies installed, emissions in Iowa have DECREASED. I'm sure everyone in the room would agree; pollution reduction is a good thing. However, because of the way the Title V program was established there is no incentive to reduce emissions. If emissions are reduced, fees increase.

Due to the factors above, it is clear to ABI members the Title V program is not sustainable. DNR must work to recognize the department in a manner which maximizes efficiencies and reduces unnecessary regulatory burden on industry. ABI and its members are willing to provide input on DNR proposals. Maintaining the fee at \$56/ton for one year will further encourage all stakeholders to work together to develop solutions, because an increase in the fees at this time will only put a bandage on the problem. Thank you for your consideration of ABI's request and the opportunity to comment.

CHRIS GRUENHAGEN, representing the Iowa Farm Bureau said that the lake monitoring contract should be put on hold until the new administration has a chance to review and comment. This methodology needs to be re-examined and reviewed. One sample, on one day does not give a good representation of Iowa's lake water quality. This is a 3 year contract with this methodology. You do have time to hold off, therefore we ask that you table this contract. There are consequences in getting this wrong because it will be used for regulatory and compliance.

JOHN KALLEN, representing MidAmerican Energy submitted the following comments:

MidAmerican Energy and its sister company Northern Natural Gas recognize that the Title V program is an important part of the DNR's air program and that Title V funding is essential for the maintenance of clean air in the state of Iowa.

Mid American and Northern Natural Gas further recognize that the DNRs Air Quality Bureau has increase funding requirements.

However, MidAmerican and Northern Gas have specific concerns about the long-term sustainability of DNR's funding program.

- In 2009, the DNR came before the EPC to propose an increase in the Title V fee cap from \$39 per ton of emissions to \$56 per ton projects out for at least 3 fiscal years.
- However, just one year later (early 2010) the DNR increased the fees from the existing \$52 per ton to reach the limit for the just increase \$56 per ton fee cap.
- Now in late 2010, the DNR is proposing to raise the fee cap to \$65 per ton.
- There appears to be no end in sight to continued and substantial fee increases.

Under this current Title V funding formula regulated entities pay higher fees as they reduce their emissions (creating a disincentive for emission reduction projects). MidAmerican alone has spent \$400 million on non-mandated emission control equipment to reduce our emissions. As we reduce our emissions, our fees go up due to the declining emissions base under Title V. MidAmerican's fees have increased from \$1.3M in 2004 to a projected \$2.7 M in 2010 (for SFY 2012).

MidAmerican and other stakeholders have begun discussing options for long-term sustainable funding sources for the Title V program. The DNR, business and industry, agricultural and

environmental groups need to work together to address this problem. MidAmerican asks you to accept the challenge and lead the effort to find long-term sustainable funding for the Title V program.

CHRIS PETERSON, President of the Iowa's Farmers Union stated his concern with the water quality of this state with the new change of administration. We want the EPC to continue moving forward with protecting our waters. Applying manure on snow covered ground is a bad practice; I'm a farmer so I know. We need to catch the bad actors. Voluntary compliance seems like a bad idea. Most farmers in my mind want to do the right thing, however a lot of them have been captured by the industry. You need to put the heat on the industry to clean up their act.

MIKE SEPTOR, representing American Ordinance in Middletown Iowa. I manage the air quality program. We feel that we would like to see a process in which all sources (minor and major) pay for the services that they use. It would be a better and fair process.

-----End of Public Participation-----

CONTRACT - IOWA STATE UNIVERSITY FOR 2011-2013 LAKE MONITORING

Lisa Fascher, in the Watershed Monitoring and Assessment Section presented the following item.

Recommendations:

Commission approval is requested for a 3 year-service contract with Iowa State University of Ames, IA. The contract will begin on January 1, 2011 and terminate on December 31, 2013. The total amount of this contract shall not exceed \$413,922. DNR shall have the option to renew this contract as long as this contract and any extensions do not exceed a six-year period.

Funding Source:

This contract will be funded through State Appropriated Infrastructure (60%) and Lake Restoration (40%).

Background:

This contract encompasses the majority of lake water quality monitoring conducted as part of the state-wide water monitoring program and is the primary basis for assessing the state's lake water quality. The purpose of this program is to define the condition of Iowa's lakes, characterize the existing and emerging issues, measure changes or trends in water quality, and provide information to citizens and decision-makers. Specific ways the DNR intends to utilize the information gathered and analyzed in this Contract include: to fulfill Clean Water Act requirements of the department including: biennial reports on the status of lake water quality, impaired waters listing, and total maximum daily load reports; manage and evaluate this natural resource; and allocated lake restoration funds most appropriately.

Purpose:

The parties propose to enter into this Contract for the purpose of retaining the Contractor to provide the DNR with lake monitoring data. As part of this contract ISU will provide field and

analytical support for monitoring on 132 of Iowa's significantly publicly owned lakes. The lakes are monitored three times during the field season for basic water chemistry, nutrients, plankton composition, and clarity.

Contractor Selection Process:

ISU was chosen using a bidding process between state institutions (Iowa Code section 455B.103(3) and 11 IAC 106.4. ISU had the highest cumulative score of the submitted lake monitoring proposals and was therefore chosen for this project.

In 2005, Dr. John Downing with Iowa State University conducted a study on our methodology at the DNR and he felt that three samples on the lake spread out from spring to September was adequate.

Charlotte Hubbell asked why the department is switching from a one year contract to three years.

Lisa Fascher said that changing from a 1-year contract to a 3-year contract was because we wanted to have some continuity over time. Doing a three year contract also lowers the cost of the project as opposed to \$198,000 in previous years for one year.

If we were to add two more sampling dates, it would increase the cost by 2/3. Taking more samples while out on the lake would not increase the travel costs, but there would be an increase in the analysis cost. The State Hygienic Lab was the only other university that submitted a bid.

Lorna Puntillo said that because of the current budget condition of the department, it seems to make more sense to break this down into one year contract and then come back after we know how much the department will have to cut.

Wayne Gieselman said that coming back in June or even May would be too late. If we changed the years of the contract then we would need to go out and re-bid the work.

Charlotte Hubbell said that it appears that going to a 3-year contract, the department would be saving \$50,000 per year. It would save taxpayers money. This equates to \$150,000 over the next three years.

Wayne Gieselman explained the funding of this contract. The funds come from other areas outside of the state's general fund.

David Petty asked about the monitoring and what the results are being used for. I believe that we should table for at least one to two months.

Lisa Fascher said that in comparison to some other states, we do more monitoring. Some states take one sample within five years and then add it to the impaired waters list. We base our impaired waters listings on 3 samples each year for 5 years or 15 samples. I feel we take more samples than most.

Dee Bruemmer said that it seems that we are more concerned with how the data is used and not so much on how it is collected. I believe we should approve and discuss the use later.

Motion was made by Paul Johnson to approve the contract as presented. Seconded by Marty Stimson. Motion carried unanimously.

APPROVED AS PRESENTED

PROPOSED RULE – AMENDMENT TO WASTEWATER RULES CHAPTER 64 – WASTEWATER CONSTRUCTION AND OPERATION PERMITS

Charles C. Corell, Chief of the Water Quality Bureau presented the following item.

The amended rule is intended to re-issue NPDES General Permit # 5 for a period of five years. This general permit authorizes wastewater discharges, excluding separate storm water discharges, from facilities primarily engaged in mining, quarrying, and further processing of dimension stone, crushed and broken limestone, construction sand and gravel, clay, ceramic, and refractory minerals, and miscellaneous nonmetallic minerals, except fuels. The previously issued NPDES General Permit # 5 expired July 17, 2006.

The proposed modifications to the general permit:

- update the effective date,
- revise the deadline for submitting a Notice of Intent,
- add a fee requirement,
- add a sulfate sampling requirement,
- add additional discharges not authorized by the general permit,
- add best management practices for new or expanded discharges,
- add definitions for new, expanded, and existing discharges, owner or operator, and facility or activity,
- and add clarification of the mine or quarry operator's duties required by the general permit.

A summary of the proposed amendments to Chapter 64:

- revise the transfer of title and owner address change requirements to include transfer of coverage under General Permit #5.
- establish an effective date for the reissue of General Permit #5.
- revise the NPDES fee schedule to include General Permit #5 annual fees.

Stakeholders participated in the development of these proposed rules. The department also plans to hold a public hearing to obtain additional public comments.

Gene VerSteeg asked how much the fees will be.

Chuck Corell said that for one year it's \$125.00, three years is \$300.00, four is \$400.00 and five years is \$500.00. This is for one permit, so multiple permits may be needed.

INFORMATION

**FINAL RULE – CHAPTER 61, WATER QUALITY STANDARDS, SECTION 401
CERTIFICATION OF SECTION 404 REGIONAL PERMITS 27, 33, AND 34**

Charles Corell, Bureau Chief of Water Quality submitted the following item.

Pursuant to the authority of Iowa Code sections 455B.105 and 455B.173, Commission approval is requested for the Final Rule that will amend Chapter 61: Water Quality Standards to provide Section 401 water quality certification for Corps of Engineers Regional Permits 27, 33 and 34. Section 401 water quality certification is a state water quality agency's certification that a proposed activity will not violate state water quality standards.

Regional permit 27 authorizes the emergency repair or reconstruction of flood-damaged structures in areas designated as flood-disaster areas by the state. Regional permits 33 and 34 authorize structures that will help reduce erosion and thus, the amount of agricultural pollutants going into Iowa's water bodies.

The Corps issued the public notices for these regional permits on June 23, 2010 and they expired on July 22, 2010. No comments were received by the Corps.

The Notice of Intended Action was published in the Iowa Administrative Bulletin on October 20, 2010 as ARC 9153B. A public hearing was held on November 9, 2010. The comment period for this rule-making effort expired on November 11, 2010. No one attended the public hearing and no comments were received during the public comment period.

If the Commission approves the final rules, they will become effective on February 16, 2011.

Chris Schwake said that most individuals approve and support this work.

<i>Motion was made by Susan Heathcote to approve the final rule as presented. Seconded by John Glenn. Motion carried unanimously.</i>

APPROVED AS PRESENTED

CONTRACTS - LAKE GEODE AND CARTER LAKE WATERSHED PROJECTS

Steve Hopkins, Coordinator of the Nonpoint Source Program of the DNR presented the following item.

Recommendations:

Commission approval is requested for a 5-year contract with the Iowa Department of Agriculture and Land Stewardship Division of Soil Conservation (IDALS DSC) to implement phase 1 of the Lake Geode Watershed Project, and for a 3-year contract with the Metropolitan Area Planning Agency (MAPA) for the Carter Lake Watershed Project. The purpose of both contracts is to implement watershed improvement practices identified in their watershed management plans (WMPs). Lake Geode and Carter Lake have each completed EPA 9-element watershed management plans that identify actions needed to restore water quality and remove them from the impaired waters list. The total amount of these contracts shall not exceed \$855,370.

Funding Source:

These contracts will be funded through EPA Section 319 grant funds.

Background:

The following contracts are presented for approval:

Lake Geode Watershed Project (IDALS DSC)	\$470,761
Carter Lake Watershed Project (MAPA)	\$384,609
Total	\$855,370

Purpose:

The parties propose to enter into these contracts for the purpose of implementing watershed improvement practices for the projects selected.

Contractor Selection Process:

These projects were chosen using the DNR Watershed Implementation grant proposal application and committee review process.

Lorna Puntillo asked what the impact will be after this money is spent. Has the source been fixed and is it permanent?

Steve Hopkins said that this type of work takes a long time - this is a 15 year project.

Lorna Puntillo said that it seems that since the sources have been identified, then work should continue until these water bodies are eliminated from the impaired waters list.

Steve Hopkins said that implementing phase 1 will address the sources impacting these water bodies. We are assuming there will be 3 - five year phases.

Motion was made by David Petty to approve the contract as presented. Seconded by Susan Heathcote. Motion carried unanimously.

APPROVED AS PRESENTED

CONTRACT - WATERSHED MANAGEMENT PLAN FOR SILVER CREEK WATERSHED

Steve Hopkins, Coordinator of the Nonpoint Source Program presented the following item.

Recommendations:

Commission approval is requested for a two-year contract with the Howard County Soil and Water Conservation District (SWCD) to complete a watershed management plan (WMP) for the Silver Creek Watershed. The purpose of the WMP is to identify actions needed to restore Silver Creek, an impaired creek in Howard and Winneshiek Counties, which is a tributary of the Upper Iowa River. The total amount of this contract shall not exceed \$40,000.

Funding Source:

This contract will be funded through EPA Section 319 grant funds.

Background:

The following contract is presented for approval:

Silver Creek WMP	\$40,000
Total	\$40,000

Purpose:

The parties propose to enter into this contract for the purpose of completing a watershed management plan for the watershed selected.

Contractor Selection Process:

This project was chosen using the DNR Watershed Planning Grant application and committee review process.

Project Summary: Silver Creek Watershed Plan

Project Name: Silver Creek Watershed Plan**Contractor: Howard County Soil and Water Conservation District****Amount: \$40,000****Time Frame: January 1, 2011 – December 31, 2012**

This two-year project administered through the Howard County Soil and Water Conservation District will develop a watershed management plan which includes the Environmental Protection Agency's (EPA) Nine Elements for watershed planning. The final product will be a department approved Watershed Management Plan to be used for project implementation.

Silver Creek is a 22,410 acre watershed located in Northeast Iowa, and is on the 303 (d) list of impaired waters due to high levels of bacteria. This impairment is based on monitoring for indicator bacteria conducted on Silver Creek of the Upper Iowa River Watershed project from April 2004 through October 2006. Eighteen of the 21 samples exceeded Iowa's single -sample maximum criterion of 235 orgs/100ml.

Over the next two years, the process will focus on 1) gathering and organizing data, 2) educating the public through community based planning efforts, 3) developing watershed goals that are acceptable to watershed residents yet meet water quality goals, 4) developing a plan to monitoring for success and 5) prepare a comprehensive Watershed Management Plan for the Silver Creek watershed.

Motion was made by John Glenn to approve the contract as presented. Seconded by Gene VerSteeg. Motion carried unanimously.

APPROVED AS PRESENTED

CONTRACTS - IOWA LEARNING FARMS AND COMMUNITY ASSESSMENT TOOL DEVELOPMENT PROJECTS

Steve Hopkins, Coordinator of the Nonpoint Source Program presented the following item.

Recommendations:

Commission approval is requested for a one-year contract with the Iowa Department of Agriculture and Land Stewardship Division of Soil Conservation (IDALS DSC) for the Iowa Learning Farms Project, and a two-year contract with Iowa State University (ISU) for the Community Assessment Tool Development Project. The total amount of these two contracts shall not exceed \$354,826.

Funding Source:

These contracts will be funded through EPA Section 319 grant funds.

Background:

The following contracts are presented for approval:

Iowa Learning Farms (IDALS DSC)	\$196,826
Community Assessment Tool Development (ISU)	\$158,000
Total	\$354,826

Purpose:

The parties propose to enter into these contracts for the purpose of delivering watershed educational programming to farmers and for developing watershed community assessment tools for watershed improvement activities.

Contractor Selection Process:

These projects were chosen using a grant application and committee review process.

Project Summaries: Iowa Learning Farms and Community Assessment Tool Development

Project Name: Iowa Learning Farms

Contractor: IDALS Division of Soil Conservation

Amount: \$196,826

Time Frame: January 1, 2011 – December 31, 2011

This one-year contract will combine with funding from IDALS DSC to support activities of the Iowa Learning Farms for the 2011 crop year.

Iowa Learning Farms (ILF) is an inter-agency, multi-disciplinary program administered by the ISU Leopold Center for Sustainable Agriculture which works directly with farmer-cooperators to demonstrate and promote innovative conservation practices on their farms as a means of providing outreach to the general farm community in Iowa on the role of farmers in minimizing nonpoint source pollution from agriculture. The primary strategy behind this outreach effort is to have farmers communicating with farmers to promote conservation-based farming practices. The farm demonstration sites are selected from within each of the five primary soil regions in Iowa in order to consider soil uniformity in comparing different tillage practices. The project includes five main components: water quality, agronomic, economic, sociological, and outreach.

In 2011, the Iowa Learning Farms program will continue to focus on four main areas: 1) nurturing of our farmer/non-farmer partners (including Soil and Water Conservation District commissioners), 2) broad outreach efforts, including working with K-12 schools and community colleges throughout the state, 3) one-on-one educational opportunities that made the ILF project

originally distinctive, and 4) evaluation which will continue to cover all aspects of the ILF program, a critical component of feedback, and ensure the messages fit the means, the audience and our goals.

As part of its ongoing outreach efforts, Iowa Learning Farms maintains an active website of project activities at the following web address:

<http://www.extension.iastate.edu/ilf/>

Charlotte Hubbell asked if we are seeing any impacts as a result of these workshops and surveys.

Steve Hopkins said yes, folks are changing their behavior because of what they are learning at the workshops based on the surveys we've received.

Motion was made by David Petty to approve the contract as presented. Seconded by Marty Stimson. Motion carried unanimously.

APPROVED AS PRESENTED

SOLID WASTE ALTERNATIVES PROGRAM – CONTRACT RECOMMENDATIONS

The Department received 20 proposals, requesting \$1,214,740 in financial assistance, for consideration during the October 2010 round of funding. Ten (10) projects were selected for funding or additional consideration. If approved they will receive \$258,031 in a combination of forgivable loans and zero-interest loans.

The review committee consisted of five persons representing the Land Quality Bureau (2), Iowa Society of Solid Waste Operations (1), Iowa Recycling Association (1), and the Iowa Waste Exchange (1).

The table below summarizes recommendations by applicant and project type and by the type of award.

Recommended By Applicant Type	# Awards	Award Amount	Forgivable Loan Portion
Local Government	3	\$26,943	\$26,943
Private For Profit	2	\$94,224	\$40,000
Private Not For Profit	5	\$136,864	\$81,493
Recommended By Project Type	# Awards	Award Amount	Forgivable Loan Portion
Best Practices	10	\$258,031	\$148,436
Market Development	0	\$0	\$0
Education	0	\$0	\$0

Type of Award	# Awards	Award Amount	Forgivable Loan Portion
Forgivable loan only	6	\$68,436	\$68,436
Forgivable and 0% loan only	4	\$189,595	\$80,000
Forgivable, 0% and 3% interest loan	0	\$0	\$0
0% interest loan only	0	\$0	\$0
3% interest loan only	0	\$0	\$0

At this time, the Department is requesting Commission approval to enter into contracts with selected applicants whose awards will be in excess of \$25,000 subject to satisfactory review of additional requested information, review of business plans, negotiation of budget, match, deliverables, and other requested information.

The Department received 20 proposals, requesting \$1,214,740 in financial assistance, for consideration during the October 2010 round of funding. Ten (10) projects were selected for funding or additional consideration. If approved they will receive \$258,031 in a combination of forgivable and zero-interest loans.

The following provides a description of each project, the project type, and the amount and type of funding assistance. The descriptions are organized as projects above \$25,000, those \$25,000 and below, and proposals received but not selected.

PROPOSAL RECOMMENDATIONS: ABOVE \$25,000

BEST PRACTICES PROJECTS:

Hope Haven Development Center		Forgivable Loan:	\$20,000
1307 Broadway		Zero Interest Loan:	\$25,000
West Burlington, Iowa 52655		3% Interest Loan:	\$ 0
		Total Award Amount:	\$45,000
		Cash Match:	\$15,000
		In-Kind Match:	\$30,000
		Local Match:	\$45,000
		Total Project Cost:	\$90,000
Project Title:	21st Century Recycling Project		
Contact:	Bob Bartles	Phone:	319-754-4689
Project Type:	Best Practices		
Applicant:	Private Not For Profit		
Description:	Hope Haven requested funding to assist with the purchase of a new recycling truck to expand and better serve its existing commercial clients and to engage new commercial clients by including additional recyclable material types and increasing collection frequency for commercial clients. Collection of fiber materials is expected to increase by 15 percent in the first year, and initiate collection of plastic shrink wrap and wood pallets.		
	Des Moines, Louisa, Lee, and Henry Counties		
Target Area:			

**Habitat for Humanity of
North Central Iowa
1411 South Taft Avenue
Mason City, Iowa 50401**

**Forgivable Loan: \$20,000
Zero Interest Loan: \$30,371
3% Interest Loan: \$ 0
Total Award Amount: \$50,371**

**Cash Match: \$44,871
In-Kind Match: \$ 5,500
Local Match: \$50,371

Total Project Cost: \$100,742**

Project Title: Deconstruction and Repurposing of Flood Buyout Homes
Contact: Melissa Schoneberg Phone: 641-424-8978
Project Type: Best Practices
Applicant: Private Not For Profit
Description: Habitat for Humanity of North Central Iowa applied for funds to assist with the deconstruction and salvage of approximately 100 tons of reusable building and home improvement materials from approximately 100 non-historic, Mason City homes that were damaged by the 2008 floods and identified as being salvageable. Funds will be used to purchase tools and equipment and training for staff and volunteers.

Mason City, Cerro Gordo County

Target Area:

**Hawkeye Recycling
811 Airport Road
Cresco, Iowa 52136**

**Forgivable Loan: \$20,000
Zero Interest Loan: \$15,464
3% Interest Loan: \$ 0
Total Award Amount: \$35,464**

**Cash Match: \$35,464
In-Kind Match: \$ 0
Local Match: \$35,464

Total Project Cost: \$70,928**

Project Title: Acquisition of Howard County and Spectrum Recycling Center
Contact: Ross Merritt Phone: 319-240-6429
Project Type: Best Practices
Applicant: Private For Profit
Description: Hawkeye Recycling applied for funding to provide additional curbside and commercial recycling collection services and to expand processing capacity. The funding will be used to assist with the purchase of recycling equipment, including a self-contained compactor, 2 roll-off containers, 3 dumpsters, a curbside recycling truck, and an industrial magnet.

Howard County and parts of Clayton County

**Target Area:
Le Grand Sanitation
103 East Main Street
Le Grand, Iowa 50142**

**Forgivable Loan: \$20,000
Zero Interest Loan: \$38,760
3% Interest Loan: \$ 0
Total Award Amount: \$58,760**

**Cash Match: \$35,000
In-Kind Match: \$23,765
Local Match: \$58,765

Total Project Cost: \$117,525**

Project Title: Le Grand Sanitation – Plastic Recycling Capacity Increase
Contact: Vicki Keen Phone: 641-479-2615
Project Type: Best Practices
Applicant: Private For Profit
Description: Le Grand Sanitation initiated recycling collection and processing for Tama County. Funds will be used to purchase and install recycling equipment to improve processing efficiency and to address capacity upgrade for processing and marketing recovered plastics recycling for rural and urban residents in Tama County, as well as existing customers in Marshall County.

Tama and Marshall Counties
Target Area:

PROPOSAL RECOMMENDATIONS: \$25,000 AND BELOW

BEST PRACTICES PROJECTS:

Plymouth County Solid Waste Agency	Forgivable Loan:	\$ 20,000
34898 150th Street	Zero Interest Loan:	\$ 0
Le Mars, Iowa 51031	3% Interest Loan:	\$ 0
	Total Award Amount:	\$ 20,000

Cash Match:	\$ 8,000
In-Kind Match:	\$ 12,000
Local Match:	\$ 20,000
Total Project Cost:	\$ 40,000

Project Title: Recycling Construction & Demolition Waste
Contact: Mark Kunkel Phone: 712-546-6071
Project Type: Best Practices
Applicant: Local Government
Description: Plymouth County SWA applied for SWAP funding to purchase and put into service a mini excavator that will allow for efficient sorting of C & D waste. The project will initially focus on the recycling of 600 tons of asphalt shingles per year for which an end market has been secured. Other targeted C&D waste includes hundreds of tons of wood, metal, and concrete in the future.

Plymouth, Cherokee, Buena Vista, Ida, and Sac Counties

Target Area:

Briar Cliff University	Forgivable Loan:	\$19,997
3303 Rebecca Street	Zero Interest Loan:	\$0
Sioux City, Iowa 51104	3% Interest Loan:	\$0
	Total Award Amount:	\$19,997

Cash Match:	\$ 6,700
In-Kind Match:	\$13,686
Local Match:	\$20,386
Total Project Cost:	\$40,383

Project Title: Green Campus Initiative
Contact: Marilyn Eastman Phone: 712-279-1799
Project Type: Best Practices

Applicant:	Private Not for Profit		
Description:	Briar Cliff University applied for funds to initiate a comprehensive campus-wide recycling program at the request of the Campus Advisory Board consisting of the University President, faculty, staff and students. Funds will be used to purchase recycling collection bins at strategic locations throughout the campus.		
	Briar Cliff University Campus		
Target Area:			

City of Sheldon 416 9th Street Sheldon, Iowa 51201	Forgivable Loan:	\$ 4,355	
	Zero Interest Loan:	\$	0
	3% Interest Loan:	\$ 0	
	Total Award Amount:	\$ 4,355	
	Cash Match:	\$ 2,702	
	In-Kind Match:	\$ 2,000	
	Local Match:	\$ 4,702	
	Total Project Cost:	\$ 9,057	
Project Title:	Sheldon Recycling Improvements		
Contact:	Scott Wynja	Phone:	712-324-4651
Project Type:	Best Practices		
Applicant:	Local Government		
Description:	The City of Sheldon is requested funding to assist with the purchase of a 20-yard recycling container to expand recycling beyond their current 240 tons per year. The City proposes to actively promote the expanded recycling program through local media, the Sheldon Web site; and monthly newsletters. The City will continue to work with their local haulers as well as the landfill and recycling center to improve the program.		
	Community of Sheldon and surrounding areas.		
Target Area:			

City of Farragut 518 Hartford Avenue Farragut, Iowa 51639	Forgivable Loan:	\$ 2,588	
	Zero Interest Loan:	\$	0
	3% Interest Loan:	\$ 0	
	Total Award Amount:	\$ 2,588	
	Cash Match:	\$ 2,588	
	In-Kind Match:	\$ 0	
	Local Match:	\$ 2,588	
	Total Project Cost:	\$ 5,176	
Project Title:	City of Farragut Recycling Bin		
Contact:	Becki Sickman	Phone:	712-385-8660
Project Type:	Best Practices		
Applicant:	Local Government		
Description:	The City of Farragut applied for funding to assist with the purchase of a new recycling roll-off container to replace their existing container, which has come to the end of its useful life. The new container will be easier for recycling participants to use and is larger than the existing container, thereby reducing the frequency of servicing the roll-off and saving money.		
Target Area:	City of Farragut		

St. Albert Catholic Schools		Forgivable Loan:	\$ 1,996
400 Gleason Avenue		Zero Interest Loan:	\$ 0
Council Bluffs, Iowa 51503		3% Interest Loan:	\$ 0
		Total Award Amount:	\$ 1,996
		Cash Match:	\$ 665
		In-Kind Match:	\$ 1,450
		Local Match:	\$ 2,115
		Total Project Cost:	\$ 4,111
Project Title:	St. Albert Schools Go Green!		
Contact:	Brenda Moran	Phone:	712-328-2316
Project Type:	Best Practices		
Applicant:	Private Not For Profit		
Description:	St. Albert Schools applied for funds to purchase of recycling containers, liners, cart, and promotional signage as part of an effort to initiate and sustain recycling at school events.		
	St. Albert Catholic Schools Campus		
Target Area:			
Lakes Community Land Trust		Forgivable Loan:	\$19,500
2650 Enterprise Avenue		Zero Interest Loan:	\$ 0
Spirit Lake, Iowa 51360		3% Interest Loan	\$ 0
		Total Award Amount:	\$19,500
		Cash Match:	\$10,000
		In-Kind Match:	\$ 9,650
		Local Match:	\$19,650
		Total Project Cost:	\$39,150
Project Title:	ReNew Reclaimed Building Materials		
Contact:	Jim Golden	Phone:	712-336-1068
Project Type:	Best Practices		
Applicant:	Private Not For Profit		
Description:	LCLT applied for funds to purchase a new skid steer to improve the efficiency of their material handling in loading and unloading building materials. This equipment will also provide a safer work environment for employees, volunteers, and customers; and increase the volume of materials diverted from the landfill for recycling.		
	Dickinson and surrounding counties		
Target Area:			

Motion was made by Gene VerSteeg to approve the SWAP recommendations as presented. Seconded by David Petty. Motion carried unanimously.

APPROVED AS PRESENTED

**ADOPTED AND FILED – AMENDMENTS TO UNDERGROUND STORAGE TANK RULES
- CHAPTER 135**

Paul Nelson, with the Underground Storage Tank Section presented the following item.

The Commission is requested to adopt and file the rule changes presented to the Commission at their September 2010 meeting. The amendments are to existing rules on review procedures and acceptance of reports from certified groundwater professionals on investigation and cleanup of petroleum contamination from underground storage tanks.

The Iowa Legislature passed legislation (2010 Iowa Acts, House File 2531) that made changes in review procedures and acceptance of reports from certified groundwater professionals on investigation and cleanup of petroleum contamination from underground storage tanks.

A groundwater professional's site investigation, classification, and corrective design reports must be accepted unless within 90 days of receipt the Iowa Department of Natural Resources (IDNR) identifies material information in the report that is inaccurate or incomplete. From July 1, 2010, through June 30, 2011, the department has 120 days rather than 90 days.

No comments were received from the general public during the comment period. The U.S. Environmental Protection Agency did submit comments concerning language in the 2010 Iowa Acts, House File 2531 that was not acted upon in this the rule making. EPA felt the release from liability language in the law was too narrow and inconsistent with, and less stringent than federal regulations. This part of the legislation was left out of the rule making to allow the upcoming legislature to revisit the law.

Motion was made by Paul Johnson to approve the rule as presented. Seconded by Susan Heathcote. Motion carried unanimously

APPROVED AS PRESENTED

PROPOSED RULE: CHAPTER 22, CONTROLLING POLLUTION, TITLE V FEE CAP

Jim McGraw in the Air Quality Bureau presented the following item.

The Notice of Intended Action is to amend Chapter 22, “Controlling Pollution” of the 567 Iowa Administrative Code is being presented to the Commission for Information. At the January Commission meeting, the Department will request approval to publish a Notice of Intend Action on this proposed rule amendment.

The purpose of this rulemaking will be to increase the maximum dollar per ton fee (a.k.a. “fee cap”) specified in 567 Iowa Administrative Code subrule 22.106(1). The maximum fee that the Commission is currently allowed (by rule) to charge annually from sources subject to Title V operating permit program, is currently \$56 per ton.

The Title V fee is required for those facilities with potential emissions that exceed the major stationary source thresholds. A major stationary source, also referred to as a Title V facility, is a facility that has the potential to emit 100 tons per year (tpy) or more of any air pollutant; or the potential to emit 10 tpy or more of any individual hazardous air pollutant; or the potential to emit 25 tpy or more of any combination of hazardous air pollutants. Currently Iowa has 279 Title V facilities. Examples of Title V facilities include electric utilities, grain processors, cement plants, and manufacturing operations.

The Title V fee is based on the first 4,000 tons of each regulated air pollutant emitted each year from each major stationary source in the state. Regulated air pollutants that Title V fees are paid on include: particulate matter equal to or less than 10 micrometers in diameter (PM₁₀) and particulate matter equal to or less than 2.5 micrometers in diameter (PM_{2.5}), sulfur dioxide (SO₂), nitrogen oxides (NO_x), volatile organic compounds (VOC), lead (Pb), and 187 hazardous air pollutants (HAP). The Title V fee is used to support the development and administration of activities associated with major sources subject to the Title V Operating Permit Program

Budget projections and estimates of actual emissions indicate that this annual fee will have to be increased to maintain the current level of service with increases in staff salaries due to negotiated contract increases. At the same time, emissions are projected to decrease due to on-going implementation of current federal air quality regulations. As actual emissions decrease, the cost per ton to run the program increases.

The Department has been meeting with members of the public, industry, and environmental groups to obtain preliminary input on the fee cap. Meetings were conducted on November 11, November 19, and December 2.

The fee cap was last raised in December 2008 from \$39 to \$56. The final proposal was modified from a five-year fee cap to a three-year fee cap based on stakeholder comments. Unfortunately the three-year estimate did not foresee the dramatic reduction in emissions, from over 200,000 in 2008 to 166,000 tons in 2009.

The Department plans to propose a fee cap for one-year of \$65. The Department again expects a reduction in tons that the fee is based on. Actual emissions, estimated at 158,000 tons, coupled with expected increases in basic costs for personnel and services, necessitate an increase in the fee to \$65, a \$9 or 16 percent increase.

The fee increase, added to the estimated amount of funds carried forward from the current year and projected accrued interest, will generate an additional \$370,000 or 3.6% over the prior year's revenue. Total Title V revenues are projected at \$10,745,000. This increase is needed to accommodate the estimated 8,000 ton or 5% decrease in emissions and estimated expenses.

Estimated expense increases include an additional \$305,000 or 4.9% in personnel costs, including the Department's indirect rate. Professional contracts are estimated to increase by \$100,000 or 3.4%. Basic ambient monitoring support for equipment and analysis restored to SFY 2010 levels result in an estimated increase of \$371,000. An additional \$11,000 is also restored to maintain access to existing electronic records. Total Title V expenses are projected at

\$10,727,000, leaving the remaining \$18,000 for adjustments that may be needed in the budget process.

This one-year fee cap will not provide sufficient funding for critical program elements including additional staffing demands of mandatory greenhouse gas permitting. Resources and staffing needs to comply with new requirements of many federal air quality standards and staffing requirements if non-attainment areas are declared in the State are also not included. A reduction made to help balance the SFY 2010 budget that eliminated a portion of the small business permit assistance program was not restored.

Additional program needs are also not funded. Ongoing reviews of air toxics emissions and forecasting of air contaminant levels will not be funded. Electronic access to records will only maintain the existing records. Electronic records access is now only available for most document types created prior to January 2005. No resources are provided in the Title V budget to accommodate any relocation expenses if the Bureau were required to move out of the current location.

Consequences of projected underfunding the program range from insufficient data for complex permitting projects, significant delays in permit issuance, and the inability to complete federal requirements in a timely manner.

The stakeholders are divided on the best way to proceed with funding the Title V program. Alternatives of a Title V application/renewal fee, construction permit fee, a broader emissions fee, and increased General Fund support were discussed. The Department will continue to work with interested parties to examine alternate fee scenarios.

Charlotte Hubbell asked Air Quality staff what they mean by “broader” emissions fee.

Jim McGraw said that it could be a minimum Title V fee(a flat fee for all Title V facilities), or a change in the level of the 4,000 ton fee cap.

Ed Tormey said that unless otherwise specified by law, all permit fees go to the state’s General Fund and from there we don’t know or control how those monies are spent. By law, the Title V fees are designated for Title V operations.

Charlotte Hubbell said that we need to have a five year plan.

Catharine Fitzsimmons passed out the trend and chargeable emissions and fees chart.

176 paid less

77 had increased emissions

198 reduced emissions

On average the emission tons were reduced. MidAmerican has decreased their emissions significantly.

Susan Heathcote asked what would happen if the fees were not increased.

Catharine Fitzsimmons said that we would be \$1,020,000 short, which would result in a loss of 14 staff people.

Catharine went on to explain what a non-attainment area is and its impacts. She also explained the federal requirements and programs that will not be fulfilled along with the federal dollars lost from match monies.

Only 12 facilities exceeded the cap with one or more pollutants.

Catharine Fitzsimmons presented what our surrounding states charge for emissions.

Charlotte Hubbell suggested that the department find other ways. It seems odd that we would start charging more per ton when they are emitting less.

Catherine Fitzsimmons clarified Nicole Molt's comments. She read from the Clean Air Act on what Title V fees should be used for. If facilities have the potential to emit over the Title V emissions thresholds then they are considered a major source.

Lorna Puntillo said that U.S. Senator Rockefeller wants to suspend the Greenhouse Gas bill for at least 2 years. I know we are watching closely on what the federal government is doing. I do have concerns with the fee increase and taxing those that are trying to reduce their emissions.

Catharine Fitzsimmons said that the latest report from EPA is that there will not be a bill to suspend the Greenhouse Gas bill.

Lorna Puntillo said that if we had a collaborative approach with both industry groups and others we would have a bigger impact before the general assembly.

Paul Johnson said that when you raised the cap from \$39 to \$56 just two years ago, you said that you were planning above and beyond what you needed. Why is it that all of a sudden you need to raise them again? Is there a decrease in emissions or an increase in air quality staff costs?

Catharine Fitzsimmons said that we did not anticipate the economic downturn and the resulting significant decline in emissions in the last fee cap increase.

Lorna Puntillo asked what steps will be done to find alternative methods?

Catharine Fitzsimmons said that by going out for public notice we hope to gather more input and strategize on how to fund the air quality program. I would like to lead with a proposal for stakeholders to look at which would include a minimum fee. We feel like we are at a standstill on what we can pursue.

This item will come back in January for a decision.

INFORMATION

IOWA POLICY PROJECT – SOLUTION TO THE POLLUTION: IT STARTS ON THE FARM

Will Hoyer, one of the researcher and authors of the policy paper stressed that the most important portion of the report is application of fertilizer on lawns, golf courses and farm lands. Because a majority of our state land is farmland, those are the areas in which we need to address first. We also looked at what nutrients are applied.

The Iowa Department of Agriculture and Land Stewardship are working on a comprehensive report on how to address the nutrient overload.

Gene VerSteeg said that the comparison of fertilizer on lawns is not equivalent to applying nutrients to a food source

Susan Heathcote said that this isn't an issue between golf courses and farmland. You have to look at the land use. Obviously, it's going to be a larger agriculture use because a majority of Iowa's land is used for livestock and farming.

David Petty said that Iowa's soils are just rich in nutrients. Chesapeake Bay is a great example. 25% of the pollution was from livestock, 25% from land and 50% from other sources.

Paul Johnson said that this is a good report, however there's nothing new in it. We need to get away from pitting urban against rural. Our number pollutant is still sediment, which the report was very weak on that point.

INFORMATION

MONTHLY REPORTS

The following monthly reports have been posted on the DNR website under the appropriate meeting month: <http://www.iowadnr.com/epc/index.html>

1. Rulemaking Status Report
2. Variance Report
3. Hazardous Substance/Emergency Response Report
4. Manure Releases Report
5. Enforcement Status Report
6. Administrative Penalty Report
7. Attorney General Referrals Report
8. Contested Case Status Report
9. Waste Water By-passes Report

INFORMATION

GENERAL DISCUSSION

Commissioners went through and discussed and edited the legislative report. The final draft will be presented at the January meeting for approval. All comments should be sent to Chairperson Hubbell beforehand.

NEXT MEETING DATES

January 18, 2010

ADJOURNMENT

With no further business to come before the Environmental Protection Commission, Chairperson adjourned the meeting at 2:50 p.m., Tuesday, December 21, 2010.

Roger L. Lande, Director

INDEX**A**

Adjournment, 25
 Adopted and Filed
 Underground Storage Tank Rules
 Chapter 135, 19
 Adoption of Agenda, 1
 Approval of Minutes, 1

C

Call to Order, 1
 Chapter 135
 Adopted and Filed
 Underground Storage Tank Rules, 19
 Chapter 22
 Controlling Pollution, Title V Fee Cap
 Proposed Rule, 20
 Chapter 61
 Water Quality Standards, Section 401
 Certification of Section 404 Regional
 Permits 27, 33, and 34
 Final Rule, 8
 Chapter 64
 Wastewater Construction and Operation
 Permits
 Proposed Rule, 7
 Clean Water and Drinking Water State
 Revolving Loan Fund
 Intended Use Plans Third Quarter
 Updates Fy 2011, 2
 Commissioners Absent, 1
 Commissioners Present, 1
 Contract
 Iowa State University
 Lake Monitoring, 5
 Watershed Management Plan
 Silver Creek Watershed, 10
 Contract
 Solid Waste Alternatives Program, 14
 Contracts
 Iowa Learning Farms and Community
 Assessment Tool Development Projects,
 12

Lake Geode and Carter Lake Watershed
 Projects, 9
 Controlling Pollution, Title V Fee Cap
 Proposed Rule
 Chapter 22, 20

D

Director's Remarks, 1

F

Final Rule
 Chapter 61
 Water Quality Standards, Section
 401 Certification of Section 404
 Regional Permits 27, 33, and 34, 8

G

General Discussion, 25
 Gruenhagen
 Chris, 4

I

Iowa Policy Project – Solution to the
 Pollution: It Starts on the Farm, 24
 Iowa State University
 Lake Monitoring
 Contract, 5

K

Kallen
 John, 4

M

Molt
 Nicole, 3
 Monthly Reports, 24

N

Next Meeting Dates, 25

P

Peterson

Chris, 5
Proposed Rule
Chapter 22
Controlling Pollution, Title V Fee
Cap, 20
Chapter 64
Wastewater Construction and
Operation Permits, 7
Public Participation, 3

S

Septor
Mike, 5
Solid Waste Alternatives Program
Contract, 14

W

Wastewater Construction and Operation
Permits
Proposed Rule
Chapter 64, 7
Water Quality Standards, Section 401
Certification of Section 404 Regional
Permits 27, 33, and 34
Final Rule
Chapter 61, 8
Watershed Management Plan
Silver Creek Watershed
Contract, 10